

# Work in Progress on Draft Rule

NSR Retooling Team

November 13, 2003

Wisconsin Department of Natural Resources

# Where We Are

- Attainment rule draft under DNR internal/legal review
- Draft Green Sheet and Background memo for hearing authorization nearing completion
- Walk through with TAG - not “wordsmith” but hear suggestions
- “Finalize” for NRB week of 17th

# What's in the draft

- Applicability Test
- Clean Units
- Pollution Control Projects
- Actuals PAL

# Clean Unit Test - 1

- In NR 405.18 and 405.19
- Optional Test under the rule (405.18(1))
- Available for units that have undergone major NSR (405.18) and those that are comparable to BACT/LAER (405.19)
- Emissions control can be add-on controls; pollution prevention; or work practices, but an investment in the control is required to qualify.(405.18(3)(b))

# Clean Unit Test - 2

- Term of Clean Unit
  - Clean Unit Status available for up to 10 years after applying emissions controls, or from designation if meeting today's control requirements.(405.18(5))
  - To PAL term if designated as part of Clean Unit Opt Out provision while under PAL. (405.18(5)(c))

# Clean Unit Test - 3

- Redesignation Options
- Provided as options for comment
  - Reevaluate Designation as Clean Unit
  - Require offset from Clean Unit employing BACT for significant increases
  - As part of SIP, case-by-case evaluation of Clean Unit status (NR 405.18(9))

# Actuals PALs

- An alternative approach for determining major NSR applicability.
- A PAL is an annual (facility-wide) emission limitation (12-month rolling total, rolled monthly) under which the facility can make any changes without triggering NSR review for that pollutant.
  - Pollutant-specific
  - 10-year term

# Actuals PALs - 2

- Establishing the PAL (405.21(6))
  - Determine baseline actual emissions for all existing emissions units using the same consecutive 24-month period for all units.
  - New and replacement units installed after baseline period added to baseline using methods under baseline actual emission methodology from applicability test for new units (405.21(6)(d))
  - Add the pollutant-specific significant emissions rate to the baseline actual emissions for the PAL pollutant;



# Actuals PALs - 3

- Establishing the PAL
  - Subtract any emissions from emissions units that operated during the 24-month period and have since been permanently shut down;
  - Establish a step-down PAL if there are any requirements that have an effective date during the term of the PAL.
  - Adjust PAL level for units that had avoided major NSR previously to BACT levels at owner/operator election, else limits are maintained.
  - Clean Units are excluded from PAL restrictions
  - In nonattainment area, PAL declines to rate equivalent to BACT on significant units, plus baseline actual of small units plus significant threshold at end of term

# Actuals PALs - 4

- Reopening the PAL (405.21(8))
  - Department shall reopen the PAL permit to:
    - Correct typographical or calculation errors made in settling the PAL.
    - Reduce the PAL to create emissions reductions for offset purposes.
    - Revise the PAL to reflect an increase in the PAL.
    - Decrease the PAL to remove newly designated Clean Units from PAL
  - Department may reopen the PAL permit to:
    - Reduce the PAL to reflect newly applicable Federal requirements with compliance dates after the PAL effective date
    - Reduce the PAL consistent with any other requirement that the State may impose under its SIP
    - Reduce the PAL if it determines that a reduction is necessary to avoid causing or contributing to a NAAQS or PSD increment violation.

# Actuals PAL - 5

## Increasing a PAL (405.21(11))

- Allowed if the increased emissions cannot be accommodated under the PAL, even if all significant and major emissions units were to meet a BACT level of control.
- Emissions units causing the need for an increase (modified or new units) must go through major NSR.
- New PAL based on sum of:
  - Baseline actual emissions of small emissions units;
  - Baseline actual emissions of significant and major emissions units assuming a BACT level of control; and
  - Allowable emissions of new or modified emissions units.

# Actuals PAL - 6

## PAL Renewal (NR 405.21(10))

- If baseline actual emissions plus significant level are  $\geq 80\%$  of current PAL, then PAL may be renewed at current level.
- If baseline actual emissions plus significant level are  $\leq 80\%$  then:
  - PAL may be established at a level that is more representative of baseline actual emissions, or a level that is appropriate based on air quality needs or other considerations.
- The new PAL level cannot be higher than the existing PAL (unless PAL increase provisions are met) or the PTE of the source.

## Actuals PAL - 7

### PAL Expiration (NR 405.21(9))

- Within the timeframe specified for PAL renewals, the source shall submit a proposed allocation to each emissions unit covered by the PAL.
- The Department shall decide whether and how the PAL will be distributed and issue a revised permit incorporating allowable limits for each emissions unit.
- Any subsequent physical or operational change at the source will be subject to major NSR review.

# Actuals PAL - 8

## PAL Monitoring Requirements

- PAL permit must contain enforceable requirements to determine plantwide emissions (12-month rolling total, rolled monthly).
- A source may use any of the following approaches:
  - Mass balance calculations for activities using solvents or coatings
  - Continuous Emissions Monitoring Systems (CEMS)
  - Continuous Parameter Monitoring Systems (CPMS) or Predictive Emissions Monitoring Systems (PEMS).
  - Emissions Factors (validated under NR 400 series protocols).
- If no monitoring data exists for an emissions unit for a time period, the source owner must report the maximum potential emissions without considering enforceable or operating emissions limitations.

# Actuals PAL - 9

## Clean Unit Opt Out Provisions

- Units gaining Clean Unit status on date PAL established excluded from PAL
  - Must be designated clean on PAL date
- Emissions Unit in PAL can be removed from PAL by gaining Clean Unit status
- Allows Emission Unit to increase utilization to levels approved in CU determination

# Pollution Control Projects

- The PCP exclusion allows a project that reduces emissions of one or more air pollutants regulated under the Act to avoid major NSR review despite causing a significant emissions increase in a collateral pollutant. (405.20)
- The exclusion only applies to activities at existing emissions unit; addition of new emissions units does not qualify for the exclusion



## PCPs - 2

- Required tests (NR 405.20(2))
  - Environmentally beneficial
  - Air quality analysis
- Content of notice (NR 405.20(3))
- Review/construction requirements after notice (405.20(4))
- Process for unlisted projects (405.20(5))

# Applicability Test

## Draft WI Baseline Actual Emissions - 1

- Baseline based upon annual average in a 24 month period occurring in the previous 10 years (5 for EUSGUs)
- Same baseline period for all pollutants, unless alternative approved by department
- Same pollutant baseline across multiple emissions units involved in project
- Adjusted to reflect current emission control requirements

## Draft WI Baseline Actual Emissions - 2

- Planned shut down and start-up included in baseline, unplanned events not included
- Baseline emissions reduced for any emissions that exceeded allowable levels
- Adequate data must exist to substantiate the baseline rate

## Draft WI Baseline Actual Emissions - 3

- “New” Units that are modified by a project
  - Meaning units that were constructed after the baseline period
  - If unit has not yet initially operated, baseline rate is zero
  - If operated less than two years from project commencement date, equal to PTE
  - If operated more than two years from project commencement date, then 12 months of actual emissions data is used

# Draft WI Applicability Test

- Used for plant modifications
- Not available for the construction of new emissions units or replacement units
- Replacement units may net, however must use “actual emissions” definition in evaluating change from emissions unit being replaced

# Future Emission Estimates

- Potential to Baseline Actual Test
  - Post project reporting and record keeping minimized
- Projected Actual to Baseline Actual Test
  - 10 year projection period (regardless of impact on emission unit capacity by project)
  - Includes planned start-up and shut down emission rates, not unplanned events
  - Demand adjustment - in draft, but department is seeking comments for clarity, consistency and certainty. Decision on inclusion dependant on comments.

# Draft WI Applicability Test

- Notice, record keeping and reporting requirements
  - Submit notice of project prior to beginning construction either under minor NSR or under Title V revision requirements (NR 405.16(3)(b))
    - Using projected actual, include details on projection if projection minus baseline actual emission rate results in significant emissions increase
  - Report to DNR if annual emissions result in significant emissions increase and are inconsistent with projection
    - Latter not required if potential to actual test used